



Department of Justice

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Eastern District of California

FOR IMMEDIATE RELEASE
Tuesday, April 22, 2008
www.usdoj.gov/usao/cae
Docket #: 08-cr-00144-EFB

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MANAGER ADMITS TO FALSE MEDI-CAL CLAIMS
FACILITY OWNERS PAY ALMOST ONE-HALF MILLION DOLLARS
Defendant falsified documents to fraudulently obtain Medi-Cal funds

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced today that MIRON BALYASNY, 57, of San Francisco entered a guilty plea on March 28, 2008 before United States District Judge Edmund F. Brennan to a count of making false demands against the United States.

This case is the product of an extensive joint investigation by the FBI and the Department of Health and Human Services (HHS) Office of Inspector General.

According to Assistant United States Attorney Anne Pings, who prosecuted the criminal case, BALYASNY acknowledged at the entry of his guilty plea that during a time period between January 1, 2001 and December 31, 2004, he was the Administrator and Manager of Altamedix, Incorporated, which operated as an adult day health care (ADHC) provider in Sacramento. At the same time, his wife was listed as a one-third owner of Altamedix, Inc. On behalf of Altamedix, the defendant prepared documents used to support bills submitted to the Medi-Cal program by Altamedix. Under the Medi-Cal regulations, ADHC providers such as Altamedix were only entitled to Medi-Cal reimbursement for services provided to patients who met certain medical criteria and who would likely be institutionalized without the adult day health care services. In order to obtain Medi-Cal reimbursement for services at Altamedix, the defendant routinely altered patient records to make it appear that patients were sick, could not

walk, or could not feed or dress themselves when in fact such statements were not true. For example, at the time of the guilty plea, the defendant acknowledged that there was a patient in 2004 for whom Altamedix had submitted false bills to Medi-Cal based on false documents saying that the patient had, among other things, chronic headaches, chest pains, shortness of breath, senile dementia and needed supervision with walking. When this patient was interviewed and his files reviewed by Medi-Cal examiners, it was determined that he did not have chronic headaches, chest pains, shortness of breath, dementia, and did not need supervision with walking. In fact, the patient, who had been a medic in World War II, frequently takes nature walks on his own for leisure activity.

In a parallel civil case, the Altamedix facility and its owners were accused of the same type of Medi-Cal fraud, according to Assistant United States Attorney Catherine Swann, who represented the United States in the civil matter. A physical therapist who had worked for the Altamedix facility filed the civil suit under the whistle-blower provisions of the False Claims Act, which provides for civil fines and penalties for fraud against the government. Altamedix and its owners have agreed to pay the government \$450,000 to settle the civil case, but deny any wrongdoing or liability.

The defendant is scheduled to be sentenced by Honorable Edmund F. Brennan on June 9, 2008 at 2:00 PM. The maximum statutory penalty for a violation of this statute is one year in prison. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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